

**DIVISION OF HEALTH PLANNING
AND RESOURCE DEVELOPMENT
AUGUST 2016**

**CON REVIEW: HG-NIS-0616-012
TIPPAH COUNTY HOSPITAL
MAGNETIC RESONANCE IMAGING (MRI) PROJECT
LOCATION: RIPLEY, TIPPAH COUNTY, MISSISSIPPI
CAPITAL EXPENDITURE: \$12,250.00**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Tippah County Hospital is a 45-bed public, not-for-profit hospital. TCH is licensed to operate 45 short-term acute beds; with 20 of their licensed acute care beds in abeyance. TCH's 45 short-term acute beds are all swing bed certified. Tippah County Hospital was originally built in 1950 and is licensed by the Mississippi State Department of Health.

The occupancy rates, average lengths of stay (ALOS), and the Medicaid utilization rates for TCH are as follows:

**Tippah County Hospital
Utilization Data**

Fiscal Year	Occupancy Rate (%)	ALOS (Days)	Medicaid Utilization Rate (%)
2012	14.88	3.48	71.97
2013	11.64	3.75	75.03
2014	8.82	4.01	72.06

Source: Division of Health Facilities Licensure and Certification, MSDH.

B. Project Description

Tippah County Hospital (TCH) requests Certificate of Need (CON) authority for the acquisition or otherwise control of Magnetic Resonance Imaging equipment and the offering of mobile MRI services.

The applicant asserts that based on identified need for MRI capacity in Tippah County and the surrounding communities, TCH proposes to lease a wide bore Siemens Espree mobile MRI unit from Alliance HealthCare Services, Inc. of California.

The applicant states that an existing mobile diagnostic imaging pad and electrical connections are on site adjacent to TCH. The applicant affirms that the existing electrical connections were previously used for a mobile CT unit. Therefore, the applicant suggests that no construction is needed to house the proposed MRI unit.

The applicant states that the proposed project will involve the lease of an operation/non-capital lease basis of a mobile MRI unit. The applicant affirms that because the MRI equipment is being acquired through an operating lease, no additional capital expenditure is needed besides the notated capital expenditure of \$12,250.

The applicant asserts that the proposed \$12,250 capital expenditure is for a \$1,250 filing fee and \$11,000 in legal fees for counsel. The applicant also states that limited electrical work will be involved with the proposed project (extending the electrical lines to the existing mobile MRI pad).

Upon CON approval, the applicant will enter into a contract agreement with Alliance HealthCare Services, Inc. of California to lease a wide bore Siemens Espree Mobile MRI Unit.

Per the lease agreement, the parties have agreed upon a lease term of 48 months for two days per week (Thursday and Friday). However, the applicant confirms that Alliance has committed to adding extended hours of operation or Saturday service availability of the MRI equipment when the MRI procedure volume warrants such expansion.

The applicant asserts that the purpose of the proposed project is to increase access to patients in Ripley and improve outcomes. A *Lease Agreement* is included in the application showing that the proposed lease is between Alliance HealthCare Services, Inc. d/b/a Alliance Healthcare Radiology and Tippah County Hospital.

Four (4) additional FTEs (full-time equivalents) personnel will be required at an estimated annual cost of \$120,000. The applicant included a projected operating statement, which shows the first, second, and third years of operation (see Attachment 1). On May 31, 2016, the MSDH, Division of Health Facilities Licensure and Certification approved the site for the proposed project at TCH MRI's anticipated location.

The applicant affirms that the proposed project will be financed with cash reserves. TCH projects net income of approximately \$1,957,158 in year one growing to a projected net income of approximately \$2,041,996 by year three.

TCH will obligate the capital expenditure within three months of final issuance of the CON and the proposed project will be complete within five months pending the final CON approval by the Department.

II. TYPE OF REVIEW REQUIRED

Projects, which propose the establishment of MRI services are reviewed in accordance with Section 41-7-191, subparagraph (1)(d)(xii) of the Mississippi Code of 1972 Annotated, as amended, and duly adopted rules, procedures, plans, criteria and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197 (2) of the Mississippi Code 1972 Annotated, as amended, any person may request a public hearing on this project within 10 days of publication of the staff analysis. The opportunity to request a hearing expires on August 29, 2016.

III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS

A. Mississippi State Health Plan (MSHP)

The *FY 2015 Mississippi State Health Plan* contains policy statements, criteria and standards, which an applicant is required to meet before receiving Certificate of Need (“CON”) authority for the acquisition or otherwise control of magnetic resonance imaging (“MRI”) equipment and the offering of MRI services. This application is in substantial compliance with applicable criteria and standards.

Criteria and Standards for the Acquisition or Otherwise Control of MRI Equipment

SHP Criterion 1- Need

The *FY 2015 Mississippi State Health Plan* states that an entity desiring to acquire or otherwise control the MRI equipment shall demonstrate a minimum of 2,700 procedures per year by the end of the second year of operation; provided, however, that MRI equipment exclusively servicing rural hospitals (those located outside U.S. Census Bureau Metropolitan Statistical Areas with 75 or less beds) shall be required to demonstrate a minimum of 1,700 procedures per year by the end of the second year of operation. This criterion includes both fixed and mobile MRI equipment. The applicant must show the methodology used for the projections.

The applicant proposes to acquire a MRI unit and utilize it at TCH located in Ripley, MS through a lease agreement with Alliance HealthCare Services, Inc.

Based on FY 2013 MRI data received by the Department, Alliance HealthCare Services, Inc. has seven MRI units and one unit performed a total of 1,048 MRI scans in General Hospital Service Area 2 for FY 2013. Furthermore, the data shows that Alliance HealthCare Services, Inc. performed a total of 5,039 MRI scans for FY 2013 utilizing the seven units.

Although Tippah County Hospital will be considered a hospital-based MRI service, Exhibit 3 of the CON application includes 4 affidavits signed by physicians attesting that he or she will refer a total of 100 to 528 scans (patients) per year to Tippah County Hospital, if the proposed project is granted a CON. The total number of scans (patients) that the physicians will refer to the hospital-based mobile MRI service is estimated to be a total of 938 for the first year of operation, respectively.

Below are the applicant’s first, second, and third years of operation projections of MRI procedures to be performed:

The applicant further indicates that the proposed mobile MRI unit at the proposed location is expected to perform the following MRI procedures for the first year through the third year of operation 480, 494 and 509, respectively.

Projected MRI Procedures		
Year 1	Year 2	Year 3
480	494	509

As reported in the *MSHP*, the MRI use rate is based on a total of 258,189 scans for FY 2013 compared to the State's population of 3,156,054. The proposed mobile, MRI unit TCH is requesting approval for is located in Tippah County, which is in GHSA 2. The 2020 population projections for Tippah County and GHSA 2 are 23,095 and 290,013, respectively. Also, based on the current *Mississippi State Health Plan*, the Mississippi MRI use rate is 82.12. This rate is determined by taking the total number of scans performed (258,189) for the state and dividing it by the state's projected population (3,156,054) multiplied by 1,000, which equates to 81.80754 or 82.

The *FY 2015 Mississippi State Health Plan* reports that a total of 32,523 MRI procedures were performed in 2013 for GHSA 2. According to the MSDH's MRI use rate, staff determined that Tippah County would be expected to generate approximately 1,894 MRI scans and the GHSA 2 is expected to produce 23,781 procedures (see formula listed on the next page).

Population-Based Formula for Projection of MRI Service Volume

$X*Y \div 1,000=V$

Where, X = Applicant's Defined Service area population

Y = Mississippi MRI Use Rate

V = Expected Volume

Projected MRI procedures for Tippah County, the location for the proposed mobile, MRI unit and GHSA 2 are shown below:

$\frac{23,095 \text{ (Tippah County's population projections)}}{1,000} = 23.095$

$23.095*82 \text{ (MS MRI Use Rate)} = 1,893.79$

$\frac{290,010 \text{ (GHSA 2 population projections)}}{1,000} = 290.01$

$290.01* 82 \text{ (MS MRI Use Rate)} = 23,780.82$

The applicant shall demonstrate that all existing units within its defined service area have performed an average of 1,700 procedures for the most recent 12-month period.

Based on the *FY 2015 Mississippi State Health Plan*, staff determined that there were 13.00 FTE units operating in GHSA 2 during FY 2013, which performed an average of 2,501.77 procedures per FTE unit (see Attachment 2). The average MRI procedures for FY 2013 and TCH's projected number of procedures are 2,463.95 per 13.4 FTE units (see Attachment 3). Thus, the average number of MRI procedures for FY 2013 and the projected MRI numbers in Attachment 3 exceed the requirement of 1,700 minimum procedures.

The applicant states that there are currently no MRI services available in Tippah County. Furthermore, the applicant affirms that TCH's medical staff refers their patients to Magnolia Medical Center in Corinth and Baptist Memorial Hospital-Union in New Albany for MRI services.

Below are the total number of MRI procedures performed by the applicant's suggested referral area in GHSA 2, the projected number of procedures the first year and the average number scans per FTE unit.

Facility	Type of Providers	City	County	Type/No. of Equipment	Number of MRI Procedures Performed 2012	Number of MRI Procedures Performed 2013	Number of MRI Procedures Performed (Projected 1 st Year)	Days/Hours of Operation 2013	FTE Unit 2013
Baptist Memorial Hospital - Union	H	New Albany	Union	F	2,800	2,446	2,446	Mon-Sat., 168 Hrs.	1
Magnolia Regional Health Center	H	Corinth	Alcorn	F(2)	6,965	6,345	6,345	M-Su, M-F- 110 Hrs.	2
(Applicant) Tippah County Hospital	H	Ripley	Tippah	M			(Projected 1 st year) 480	Thurs. & Fri. 16 Hrs.*	0.4
Total MRI Procedures					9,765	8,791	9,271		3.04
Average Procedures/ FTE MRI					3,255	2,931	3,050		

Based on TCH's projected first and second years of operation and the entire GHSA 2, TCH would meet the required number of MRI scans per MRI unit (see Attachment 3).

The applicant affirms that based on the projected population and projected number of MRI scans for GHSA 2, the numbers support the proposed mobile MRI unit/service in Ripley, Tippah County, MS.

The applicant submits that TCH is requesting approval for a mobile MRI unit in Tippah County.

SHP Criterion 2 – Quality Assurances

The applicant acknowledges the requirements of this criterion and proposes to lease a mobile, wide bore Siemens Espree Unit three days per week per the lease agreement. The application contains a lease agreement between TCH and Alliance HealthCare Services, Inc. for the lease of the proposed mobile MRI unit.

SHP Criterion 3 – Information Recording/Maintenance

The applicant affirms that, at a minimum, it will record and maintain the requirements listed in this criterion and information will be kept and made available to the Mississippi State Department of Health within 15 business days of request.

SHP Criterion 4 – Registration

Tippah County Hospital was originally built in 1950 and is licensed by the Mississippi State Department of Health. Tippah County Hospital is a 45-bed public, not-for-profit hospital.

SHP Criterion 5 – CON Approval

The applicant recognizes this requirement and affirms that it will not provide MRI services until CON approval is obtained.

Criteria and Standards for the Offering of Fixed or Mobile MRI Services

SHP Criterion 1 - Need

The *FY 2015 MSHP* states that an entity desiring to offer MRI services must document that the equipment shall perform a minimum of 2,700 procedures (or 1,700 procedures for rural hospitals) by the end of the second year of operation. However, the *FY 2015 MSHP* states: "If the MRI unit in question is presently utilized by more than one provider of MRI services, the actual number of procedures performed by them during the most recent 12-month period may be used instead of the formula projections". In addition, the *Mississippi State Health Plan* requires that if a particular MRI unit is utilized by more than one provider of MRI services, all existing or proposed providers of MRI services must jointly meet the required service volume of 2,700 procedures annually by the end of the second year of operation.

Please refer to data discussed under SHP Criterion 1- Need Criteria and Standards for the Acquisition or Otherwise Control of MRI Equipment.

The applicant appears to be in compliance with the criterion mentioned above.

SHP Criterion 2 – Documentation of Diagnostic Imaging Modalities

The applicant certifies that TCH offers traditional diagnostic imaging modalities such as plain film x-ray, adult echo cardiography, bone density, CT, and ultrasound.

SHP Criterion 3 – Accessibility

The applicant certifies that it does not have admission policies, which would exclude patients because of race, color, age, sex, ethnicity, or ability to pay. The application contains a copy of TCH's, LLC nondiscrimination policy.

SHP Criterion 4 – Staffing

The applicant affirms that a full-time, board eligible radiologist will be available for the interpretation of all MRI images. The applicant states that Premier Radiology of Tupelo and Starkville, Mississippi, a radiology practice in existence since 1938, serves as the medical director of the diagnostic imaging services at TCH and reads all diagnostic images for TCH. The applicant affirms that Premier will also provide diagnostic imaging services when the proposed CON for MRI services is approved. The application contains a curriculum vitae for Robert Conrad Becker, M.D., who serves as Premier radiologist.

The applicant states Virtual Radiologic Professionals, LLC of Eden Prairie, MN, provides backup coverage to TCH for diagnostic imaging services in the event that Premier's physicians should be unavailable.

SHP Criterion 5 – Research Staffing

The applicant states that SHP Criterion 5 is not applicable to the proposed CON project.

SHP Criterion 6 – Data Requirement

The applicant affirms that the data requirements listed for this criterion shall be collected, maintained, and delivered to the Department within 15 days upon request. The applicant asserts that it recognizes that to the extent it is within the scope of its recording system, it will maintain source of payment and total amounts charged for the fiscal year.

SHP Criterion 7 – CON Approval

The applicant asserts that it will not provide mobile MRI services and/or utilize any MRI equipment until obtaining a CON or written evidence from the Department that the equipment is exempt from CON approval. Thus, that is the reasoning for the proposed CON project being filed by TCH.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, September 1, 2011 Revision*, addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with general review criteria.

GR Criterion 1 –State Health Plan

The application was reviewed for compliance with the *FY 2015 Mississippi State Health Plan* as discussed above.

GR Criterion 2 - Long Range Plan

The applicant states that the proposed project is consistent with TCH's long-range adopted by the Board of Trustees at Tippah County Hospital and the provision of high quality, accessible, cost effective, efficient services to the communities and areas served by TCH. Furthermore, the applicant affirms that the project comports with TCH's goal to locally provide standard of care diagnostic imaging to the Tippah County area. The applicant suggests that the terms of the project make the addition of magnetic resonance imaging services a feasible addition to the diagnostic imaging capabilities of TCH.

GR Criterion 3- Availability of Alternatives

The applicant considered the option not to seek CON approval and maintain status quo as their first option. However, the applicant suggests that this option would not be in the interest of TCH's patients.

The applicant also considered acquisition of MRI equipment and institution of MRI services. TCH could elect to buy fixed MRI equipment to enable it to provide fixed MRI

services. The applicant states that the capital expenditure for such an alternative would be substantially greater than TCH can financially manage.

The applicant suggests that the operating lease of mobile MRI equipment from an existing mobile MRI equipment provider is a more logistically, financially feasible and a prudent alternative. The applicant affirms that TCH's Board decided that the proposed option was a far superior alternative; particularly since the opportunity to obtain the use of a Seimens Espree wide bore mobile MRI unit, something that no other community hospital in North Mississippi is able to offer.

As previously mentioned Tippah County doesn't have MRI services or equipment available; however, the applicant states that the local provision of standard of care diagnostic imaging services, such as wide bore MRI, will enables the Tippah County Community to access such imaging without having to travel 20 to 30 miles to receive diagnostic care. The applicant believes that failure to provide mobile MRI services locally for the Tippah/Benton County community would be an irresponsible option.

GR Criterion 4 - Economic Viability

The applicant's three-year projected operating statement contained in the application indicates net income for the first year through third year of operation (see Attachment 1). TCH contends that the proposed charge rates are market-based and competitive with other MRI providers.

The applicant submits that the cost for an MRI scan will range from \$1,500 to \$4,800 per scan the first year of operation. The applicant further states that utilization of the services will be similar to that experienced by other MRI providers within North Mississippi.

The applicant asserts that TCH, LLC does not anticipate any operating shortfalls. Nevertheless, the applicant states that any shortfalls would be covered by using cash reserves or short term loans available to TCH.

GR Criterion 5 - Need for the Project

TCH affirms that all low income persons, racial and ethnic minorities, women, handicapped persons, other underserved groups and the elderly will have access to the mobile MRI services offered by TCH at the proposed location in Ripley, MS.

Staff determined that in the current *MSHP*, the MRI scans for the facilities in GHSA 2 have decreased from FY 2012 (35,133) to FY 2013 (32,523). Based on the *FY 2015 MSHP*, staff determined that the projected population for 2015 and 2020 increased in Tippah County from 21,497 to 23,095.

The applicant states that the probable effect of existing facilities in regards to their addition of mobile MRI services at TCH is minimal. The applicant suggests that the minimal effect is evidenced by the fact that traditionally, TCH's medical staff has referred patients to Magnolia Medical Center in Corinth and Baptist Memorial Hospital-Union in New Albany for MRI services. Furthermore, the applicant states that the referral of MRI imaging candidates from TCH to Magnolia Medical Center and Baptist Memorial Hospital-Union might overburden their resources given that those mentioned facilities traditionally have averages of approximately 145% (11.6 scan/day) and 116.25% (9.3 scans/day) utilization, of the optimal 8 scans/day normal utilization schedule.

Based on the *FY 2015 MSHP*, there were 9 healthcare facilities operating 13 MRI units (fixed and mobile) in GHSA 2. None of these notated 9 healthcare facilities were located in Tippah County. The applicant states that while other Northeast Mississippi healthcare facilities offer MRI services in Tupelo, Booneville, New Albany, Corinth and Iuka, wide bore MRI equipment is not available at those facilities. Conversely, the applicant contends that approval of the proposed project will provide a new access point for MRI services for MRI imaging candidates in the Tippah County area.

The application contains letters of support for the project from North Mississippi Primary Healthcare, Inc. and Tippah County Board of Supervisors.

GR Criterion 6- Access to the Facility

According to the applicant, all patients in the service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly, will have access to the services of the facility.

The following table shows the historical and projected estimated gross patient revenues of health care provided to medically indigent patients for years one and two for the proposed project:

	Medically Indigent (%)	Medically Indigent (\$)
Historical Year 1	.75%	\$195,893
Historical Year 2	1%	\$244,000
Projected Year 1	1%	\$264,280
Projected Year 2	1%	\$272,079

The applicant submits that the proposed facility will operate up to 2 days per week from 9:00 a.m. to 5:00 p.m.; however, TCH states that it will move to three (3) days per week by the end of the third year of operation.

The applicant submits that TCH has no obligations under any federal regulations requiring provision of uncompensated care, community service, or access by minority/handicapped persons.

The applicant states that all payor sources and indigent patients will be able to receive MRI services at its proposed location.

GR Criterion 7- Information Requirement

TCH affirms that it will record and maintain, at a minimum, the information stated in this criterion regarding charity care, care to the medically indigent, and Medicaid populations, and make it available to the Mississippi State Department of Health within 15 days of request.

GR Criterion 8 - Relationship to Existing Health Care System

The applicant is requesting a mobile MRI unit to be located in GHSA 2, Tippah County.

Based on the *FY 2015 MSHP*, there were 9 healthcare facilities operating 13 MRI units (fixed and mobile) in GHSA 2. According to the 2015 MS State Health Plan, Tippah County's defined service area is General Service Area 2, which consists of the following counties: Benton, Prentiss, Union, Lee, Alcorn, Pontotoc, Itawamba and Tishomingo. The applicant states that the mentioned healthcare facilities are expected to continue being operated without any significant consequence from the additional of mobile MRI services at TCH. However, the applicant affirms that TCH will be the only facility in GHSA 2 that is proposing to operate a wide bore MRI, which will enable greater access to more obese patients.

TCH's proposed service area consists of only one (1) mobile MRI unit providing a total of 40 hours of service per week. As previously mentioned, the *FY 2015 MSHP* shows that GHSA 2 has a total of nine (9) healthcare facilities operating 13 MRI units; consisting of 12 fixed units and 1 mobile unit in GHSA 2. These sites and units performed a total of 35,133 MRI procedures in FY 2012 and 32,523 MRI procedures in FY 2013.

GR Criterion 9 - Availability of Resources

TCH states that they have all necessary staff to support MRI services locally. The applicant states that Alliance will provide the MRI technician with the MRI unit pursuant to its proposed contract. The applicant further states, to the extent that any additional staff is needed, TCH will recruit such personnel through its traditional staffing resources.

GR Criterion 10 – Relationship to Ancillary or Support Services

The applicant asserts that no support or ancillary services will be needed for the proposed MRI project.

GR Criterion 11- Health Professional Training Programs

The applicant states that TCH does not anticipate that the proposed project will have any effect on the clinical needs of health professional programs.

GR Criterion 16 - Quality of Care

The applicant submits that TCH has a long history of quality care and will continue to provide quality care to residents of its service area. The applicant states that TCH quality improvement programs and commitment to providing quality care will ensure the delivery of the highest quality of care to their patients in the most efficient and effective manner with the resources available.

The applicant affirms that the addition of MRI services will facilitate quality of care improvements to patients by avoiding delay, stress and disruption of care previously resulting from the referral of patients to other remote facilities.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

The applicant affirms that capital expenditure associated with the proposed project is \$12,250.

B. Method of Financing

The applicant proposes that the project will be financed from cash reserves.

C. Effect on Operating Costs

TCH's three-year projected operating statement is provided in Attachment 1 for the proposed project.

D. Cost to Medicaid/Medicare

The applicant's projection to third party payors is as follows (based on gross patient revenue):

Payor	First Year Revenue	Utilization Percentage
Medicare	16,995,000	61%
Medicaid	3,174,460	11%
Commercial	4,738,000	17%
Self Pay	2,616,245	9%
Charity	251,320	1%
Other	0	0%
Total	\$27,775,025	<u>100%</u>

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment. Effective September 1, 2012, the Division of Medicaid changed the methodology by which outpatient services are reimbursed so that the cost incurred subsequent to that date will no longer affect outpatient payments. Also, effective October 1, 2012, the Division changed the methodology by which it reimburses inpatient services so that the cost incurred subsequent to that date will only affect cost outlier payments. The Division states that the estimated increase in cost outlier payments resulting from this CON cannot be determined at this time. The Division of Medicaid opposes the project.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the acquisition or otherwise control of magnetic resonance imaging (MRI) equipment and offering of mobile MRI services as contained in the FY 2015 Mississippi State Health Plan, Chapter 8 of the Mississippi Certificate of Need Review Manual, September 1, 2011 Revision; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

Consequently, the Division of Health Planning and Resource Development recommends approval of the application submitted by Tippah County Hospital for the acquisition or otherwise control of MRI equipment and the offering of MRI services.

**ATTACHMENT 1
Tippah County Hospital**

Three-Year Operating Statement with Project

	Year 1	Year 2	Year 3
Revenue			
Inpatient Care Revenue	\$ 8,869,330	\$ 9,135,410	\$ 9,409,472
Outpatient Revenue	19,638,655	20,227,685	20,834,516
Gross Patient Revenue	\$ 28,507,985	\$ 29,363,095	\$ 30,243,988
Charity	\$ 257,800	265,469	273,433
Deductions from Revenue	14,571,636	15,008,785	15,459,049
Net Patient Care Revenue	\$ 13,678,549	14,088,841	14,511,506
Other Operating Revenue	\$ 400,000	\$ 400,000	\$ 400,000
Total Operating Revenue	\$ 14,078,549	\$ 14,488,841	\$ 14,911,506
Operating Expenses			
Salaries	\$ 4,841,000	\$ 4,986,230	\$ 5,135,817
Benefits	1,779,840	1,833,235	1,888,232
Supplies	1,313,386	1,352,788	1,393,371
Services	2,398,493	2,470,308	2,544,480
Lease Expenses	0	0	0
Depreciation	450,110	463,613	477,522
Interest	0	0	0
Other	1,369,563	1,398,290	1,440,238
Total Operating Expenses	\$ 12,151,391	\$ 12,499,563	\$ 12,879,510
Net Operating Income	\$ 1,925,908	\$ 1,989,278	\$ 2,041,996
	Proposed Year 1	Proposed Year 2	Proposed Year 3
Inpatient Days	5,414	5,571	5,729
Outpatient Visits	365	365	365
Procedures	381,046	381,060	381,075
Charge per Outpatient Day	53,805	55,418	57,081
Charge per Inpatient Day	1,638	1,640	1,642
Charge per Procedure	75	77	79
Cost per Inpatient Day	2,245	2,244	2,248
Cost per Outpatient Day	33,291	34,259	35,287
Cost per Procedure	32	33	34

ATTACHMENT 2
General Hospital Service Area 2
Location and Number of MRI Procedures
FY 2015 State Health Plan

Facility	Type of Providers	City	County	Type/No. of Equipment	Number of MRI Procedures Performed 2012	Number of MRI Procedures Performed 2013	Days/ Hours of Operation 2013	FTE Unit 2013
Baptist Memorial Hospital - Booneville	H	Booneville	Prentiss	F	972	974	M-F, 40 Hrs	1
Baptist Memorial Hospital - Union	H	New Albany	Union	F	2,800	2,446	Mon-Sat., 168 Hrs.	1
Imaging Center of Gloster Creek Village	FS	Tupelo	Lee	F	3,351	3,061	M-F, 55 Hrs.	1
Magnolia Regional Health Center	H	Corinth	Alcorn	F(2)	6,965	6,345	M-Su, M-F- 110 Hrs.	2
Medical Imaging at Barnes Crossing	FS	Tupelo	Lee	F	3,412	3,293	M-F, 50 Hrs.	1
Medical Imaging at Crossover Road	FS	Tupelo	Lee	F	2,101	2,023	M-F, 40 Hrs.	1
North Miss. Medical Center	H	Tupelo	Lee	F(4)	14,110	13,034	M-Su. & M-F, 240 Hrs.	4
North Miss. Medical Center - luka	H	luka	Tishomingo	M	1,133	1,048	M-F, 40 Hrs.	1
North Mississippi Sports Medicine	FS	Tupelo	Lee	F	289	299	M-F, 40 Hrs.	1
Total MRI Procedures					35,133	32,523		13.00
Average Procedures/ FTE MRI					2,702.54	2,501.77		

Source: FY 2015 MS State Health Plan
 F - Fixed MRI Unit
 M - Mobile MRI Unit
 FTE - Full-time equivalent

**ATTACHMENT 3
General Hospital Service Area 2
Location and Number of MRI Procedures
FY 2015 State Health Plan**

Facility	Type of Providers	City	County	Type/No. of Equipment	Number of MRI Procedures Performed 2012	Number of MRI Procedures Performed 2013	Days/ Hours of Operation 2013	Year 1 Proposed MRI Scans	Year 2 Proposed MRI Scans	Proposed FTE Unit For Year 1 & Year 2
Baptist Memorial Hospital – Booneville	H	Booneville	Prentiss	F	972	974	M-F, 40 Hrs	974	974	1
Baptist Memorial Hospital - Union	H	New Albany	Union	F	2,800	2,446	Mon-Sat., 168 Hrs.	2,446	2,446	1
Imaging Center of Gloster Creek Village	FS	Tupelo	Lee	F	3,351	3,061	M-F, 55 Hrs.	3,061	3,061	1
Magnolia Regional Health Center	H	Corinth	Alcorn	F(2)	6,965	6,345	M-Su, M-F-110 Hrs.	6,345	6,345	2
Medical Imaging at Barnes Crossing	FS	Tupelo	Lee	F	3,412	3,293	M-F, 50 Hrs.	3,293	3,293	1
Medical Imaging at Crossover Road	FS	Tupelo	Lee	F	2,101	2,023	M-F, 40 Hrs.	2,023	2,023	1
North Miss. Medical Center	H	Tupelo	Lee	F(4)	14,110	13,034	M-Su. & M-F, 240 Hrs.	13,034	13,034	4
North Miss. Medical Center - Iuka	H	Iuka	Tishomingo	M	1,133	1,048	M-F, 40 Hrs.	1,048	1,048	1
North Mississippi Sports Medicine	FS	Tupelo	Lee	F	289	299	M-F, 40 Hrs.	299	299	1
(Applicant) Tippah County Hospital	H	Ripley	Tippah	M			Thurs. & Fri. 16 Hrs.*	480	494	0.4
Total MRI Procedures					35,133	32,523		33,003	33,017	13.4
Average Procedures/ FTE MRI								2,462.91	2,463.95	

Source: FY 2015 MS State Health Plan
F – Fixed MRI Unit
M - Mobile MRI unit
FTE – Full-time equivalent

*Note: Tippah County Hospital will move to three (3) days per week for MRI service, to include Saturday, by the end of the third year of operation.